

**Questions/Answers and Input from Parks & Recreation Commission Meeting
April 7, 2010
*Staff Responses in Italics***

- Why is Fire not part of this?
 - *Fire is not part of the General Fund, it is separate legal entity with its own source of funding.*
- How do departments like Public Works and Finance generate revenue? (Budget Correction Principles indicate priority of raising existing revenues or implementing new sources).
 - *Public Works can obtain grants or other intergovernmental funding (Bike Bridge Project).*
 - *The Finance Department's main revenue is the Business License Tax, increases are tied to CPI. As a result, the target is met through reduction proposals.*
- Director Gervais provided an orientation of Barrett and the various activities occurring in each part of the campus.
- Teen Center: What kids are attending the Teen Center? Could we move it?
 - *Most students are from Ralston Middle School. Moving to Room D is an alternative. Indicated it was a better location that was more accessible and next to the basketball courts.*
- Belmont Players: The group does make donations to the City and has made improvements; plays are enjoyable and add value to the community; need to determine what an appropriate payment for the use of the facilities would be.
- Daycare: Would increasing the number of students require additional personnel?
 - *No, existing staff can handle the increase in the students.*
- Director Gervais explained how the benchmark rates were determined-survey of the bay area and determined rate based on the functions of the facilities (retail, warehouse, studio) and based on building conditions recommended rates of 75 or 100% of benchmark. Also noted that the City pays utilities for these buildings. It was reiterated that Barrett is not for sale.
 - Commissioners noted that it would take to recoup the costs of basic improvements at these facilities.
 - Rate increases could be phased in over time
- Barrett is a wonderful site

- Director Gervais explained that the current leases are expired on these facilities, should we have some sort of agreement? Including provisions for liability purposes.
- Creekside Studios-should public funds be used to support people making money on City property? What's the correct level of support/community tolerance. Concern the businesses have fluctuating revenues and what can they afford.
- Charging Belmont-based Non-Profits, costs incurred are minimal but there has been some challenges with this benefit in the past, this proposal would help close the loop. Consider including a waiver/grandfather clause for known groups that positively contribute to the community.
- Special Events Program-Director Gervais explained that the revenue received for these events generally covers the supplies but does not cover the staff time. An option would be to partner/transition the events to other entities that would bear the costs.
 - A Commissioner noted the value of the program to the community needs to be considered and not just the dollar costs.
 - A Commissioner suggested approaching the Mother's Club, like groups for support.
 - A Commissioner suggested considering a one-year suspension of all special events programs, likely would not go over with the community as people look forward to the events. Activities like Save the Music are one of the few fundraisers the music program has at the local schools.
- Why is the Library included among the cuts? It has its own funding source?
 - *This was done to be fiscally responsible and trying to reduce other costs rather than just adding additional. Noted this is a balance of capturing staff time, while preserving Library funds for other purposes.*

In an effort to address comments made at the last two City Council meetings from the Council and the public, this memo provides additional background on options regarding the Manor House/1870 Art Center, The Book Nook and the Parks and Recreation Special Events program. This information is intended to supplement the Budget Correction Worksheets.

Manor House and 1870 Art Center

The City's Manor Building and 1870 Art Center are leased by a several local arts organizations. The Manor Building houses: Peninsula Art Museum, the Peninsula Arts Council, and the Belmont Arts Council. The 1870 Art Center is run by a corporation of artists who sell art on site and teach private classes. The City does not participate in these activities and the group has exclusive access to its rented spaces. Leases on both facilities expired in 2008 and Staff has estimated benchmark rates (based on Bay Area rents for warehouse, artist and retail space) to fairly price lease rates for new contracts.

Currently, the Manor House monthly lease rate is 41% of the benchmark rate and the 1870 Art Center rate is about 50% of the benchmark rate. Staff is proposing increasing the Manor House to the benchmark rate to reflect the recent upgrades to the property (\$400K from the general fund) and additional costs, including \$10K/year utilities and a \$600/mo stipend to Manager (Ruth Waters). For the 1870 Art Center, we recommend a 25% discount to the benchmark rate in consideration for the older facilities.

In addition to currently charging rents well below the Benchmark rate, the City also bears costs for the function and maintenance of these facilities. While it is difficult to isolate some of these costs (ongoing maintenance, staff time for coordination, and utilities for 1870) there is an impact to the City.

Staff recommendation breaks down as follows:

Manor Building: 2008 lease rate (current rate): \$2,372 per month
 Benchmark rate: \$5,728 per month
 Recommended rate: \$5,728 per month

1870 Art Center: 2008 lease rate (current rate): \$5,956 per month
 Benchmark rate: \$11,767 per month
 Recommended rate: \$ 8,825 per month

Belmont has benefitted from the re-use of these facilities by creative community members. However, during these difficult economic times, the City must consider the level of support that is appropriate for these activities.

The Book Nook

There is currently no documented agreement between the City and the Friends of the Library regarding the Book Nook. Staff has some concerns regarding liability of operating a business in an aging facility, which could be addressed in a formal agreement. Additionally, as a revenue generating program, the Book Nook might be able to offset its utility costs, albeit small (\$250/yr). However, it is also recognized that the business has a small budget and does benefit a City institution. Staff would appreciate direction from the Council on whether any of the following is appropriate:

- Cost recovery (\$250/yr)
- Formal agreement (to reduce liability)
- Rental agreement to increase revenue

Parks and Recreation Special Events Programs

Many options have been submitted short of eliminating this Program in its entirety. (Programs include: Breakfast with Santa, Easter Egg Hunt, Movies in the Park, Safe Halloween, Father Daughter dance, etc.) For your consideration:

- Keep entire program (cost \$140,000 /yr)
- Recommend events that should continue and supply budget for those (e.g. Movie in the Park \$600/event)
- Seek partnerships to fund events (will require staff time)